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THE HOUSE THAT CASEY BUILT
BY BRYAN BRUMLEY

WASHINGTON (AP) — U.S. spy agencies have doubled the amount of money they spend collecting and analyzing intelligence in the past decade as they try to rebuild a capability that was crippled in the 1970s, congressional sources say.

The overall U.S. intelligence budget for the current fiscal year is estimated at \$28 billion, with an even higher figure requested for next year, according to the congressional sources, who asked to remain anonymous because the figure is classified.

Presiding over much of this buildup has been William J. Casey, who A retired as head of the CIA this month. Under Casey — the first spymaster to hold Cabinet rank — America's intelligence community has strengthened its network of overseas agents, developed more powerful devices to collect information and beefed up the staff of analysts to digest the data.

The intelligence buildup began in the last years of the Carter administration, in the wake of foreign policy setbacks in Iran, Nicaragua and Angola, and Soviet actions that caught Washington off guard, such as the invasion of Afghanistan.

The efforts were redoubled after Ronald Reagan won the presidency in 1980, pledging a stronger America. One of Reagan's first acts was to name Casey, his campaign manager, as director of central intelligence, responsible for running the CIA and coordinating other spy agencies.

Casey, 73, retired this month after the removal of a cancerous tumor from his brain.

His designated successor is his deputy, Robert M. Gates, 43, a career A CIA official who rebuilt the agency's analytical staff. He is to appear Tuesday at confirmation hearings of the Senate Intelligence Committee, where he is expected to be questioned on any CIA role in the sale of U.S. arms to Iran and the alleged diversion of funds to the Nicaraguan Contras.

Despite the advances in the nation's spy apparatus, some members of Congress want an even better intelligence community, said Sen. David Boren, D-Okla., chairman of the Senate Intelligence Committee. P

"I am never satisfied that we have gotten our money's worth, but there has been a significant improvement in our intelligence capabilities over the past decade," Boren said in an interview.

The United States, he said, now "has an intelligence capability that is second to none. This is one area where we have a clear superiority over the Soviet Union."

There still are weak spots on the human side, Boren said, citing problems in attracting qualified linguists to overseas posts and experts to sort through the rising flood of material gathered by spy satellites and other technical means.

"One of the big problems we have is information overload," Boren said.

And Casey angered members of the Senate and House Intelligence committees by failing to inform them of such covert actions as the mining of a Nicaraguan harbor in March 1984 and the secret arms deal with Iran.

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0 While declining to give specifics on the intelligence budget, Boren predicted continued increases for hardware and personnel.

To stay ahead, we are still going to have to keep up with increases that are ahead of the rate of inflation," he said.

Intelligence hardware is expensive, and although the United States has launched a new generation of spy satellites, there have been technical setbacks. The explosion of the shuttle Challenger and two Titan boosters in the past two years stalled the space program and left America short of the orbiters that take photographs and intercept communications.

Building the satellites and launching them into orbit are the most costly aspects of modern intelligence gathering, according to two experts, Jeffrey T. Richelson and James Bamford.

The "Magnum" spy satellite, launched by the shuttle in January 1985, cost about \$300 million, they estimated, and is designed to collect broadcast signals. A single launch can cost up to \$100 million, they said.

Although the size of the intelligence budget is classified, congressional sources say the biggest slices of the estimated \$28 billion pie go to agencies that specialize in gathering information by technical means.

The National Reconnaissance Office, which runs U.S. spy satellites, is said to receive about \$5 billion and the National Security Agency, which intercepts signals intelligence, reportedly receives about \$4 billion a year.

The lion's share, estimated at \$14 billion, goes to Tactical Intelligence and Related Activities, TIARA, the Pentagon's program to keep abreast of the latest actions by adversaries. TIARA is said to include early warning satellites and reconnaissance planes.

According to congressional sources, the CIA receives only about 10 percent of the overall intelligence budget, about \$3 billion, for the agents it has overseas and the analysts employed at its headquarters in Langley, Va., near Washington.

Although Defense Secretary Caspar W. Weinberger has called the Pentagon "the biggest customer" of U.S. intelligence, it was Casey's job to put together the overall budget request and to make sure the information is analyzed and reaches decision makers.

Casey put Gates in charge of strengthening the analytical side of the house, and together they vastly improved the quality of information reaching the president, other members of the cabinet and the congressional oversight committees.

Casey was very good at shaking up the troops and getting them to look down the road," said George Carver, who formerly headed the CIA's analytical branch. His track record was very good at figuring out what was going to be important six to 10 weeks down the road, and getting people to work on it to produce analysis when it counted, instead of a day late."